

TOKYO GAZETTE

A MONTHLY REPORT OF CURRENT POLICIES,
OFFICIAL STATEMENTS AND STATISTICS

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The material in the TOKYO GAZETTE is selected mainly from the *Weekly Report*, edited by the same Bureau. The accuracy and comprehensiveness of data presented in the *Report* are fully established. For the benefit of students of Japanese affairs, the TOKYO GAZETTE is endeavouring to maintain these qualities in the hope that its publication will eliminate unfortunate misunderstandings and thus contribute to world peace and international goodwill.

SEASONAL DAY-NURSERIES UNDER IMPERIAL PATRONAGE

BUREAU OF SOCIAL AFFAIRS, DEPARTMENT OF WELFARE

HER Imperial Majesty the Empress was pleased, on January 10, 1940, to make a grant out of the Privy Purse to encourage seasonal day-nurseries "which have been founded at various localities throughout the Empire with the object of taking care of children whose parents are otherwise occupied and of serving as units of social work in rural districts." As a result of the China Affair, there has been an acute shortage of labour in these districts, more especially during the farming seasons, which in turn reflected itself in the reduction of the productive capacity of the nation. The nurseries, in helping to release labour, have greatly contributed to an amelioration of the conditions brought about by the shortage referred to. Her Imperial Majesty's gracious act, consideration and generosity where the home-front is concerned, particularly in regard to rural life, have impressed the nation beyond measure.

In accordance with Her Majesty's gracious wish, the Department of Welfare carefully investigated all seasonal day-nurseries throughout the country and chose 917 of the better institutions upon which to bestow the Imperial Bounty. Most of these institutions have an existence dating back over 5 years, many having functioned for 10 and 15 years, and six in particular for 20 years. The registrations at these nurseries numbered 153,430 of which 128,257 attended regularly. The distribution of the Imperial gift was entrusted to the respective prefectural governors and took place on the 2600th anniversary of the founding of the Empire (Feb. 11, 1940). Not only the managements of the nurseries thus honoured, but also the nursery-workers and the people at large, are profoundly grateful for Her Majesty's keen interest in this particular department of social activities as it will serve to popularize the institutions and bring about the co-operation of those for whom they were intended.

Nature of Seasonal Day-Nurseries

Seasonal day-nurseries have been established in rural districts with a view to caring for infants whose parents, especially in the farming seasons, are required to engage themselves exclusively in

their work. During such busy periods, children cannot have the parental attention they require, or if they do, it can only be to the detriment of the productive capacity of these parents. The nurseries therefore, though they exist primarily to afford care and attention to the very young, serve a very important purpose in releasing labour at the time it is most needed.

No sooner is a seasonal day-nursery founded and its work known to the community than there is a demand for its continuation so that it finally becomes a permanent establishment. This creates a demand for "visiting nurses" to visit those children who cannot attend a nursery, and expectant mothers. In the course of time, the nursery becomes a centre of social welfare, occupying itself with the visiting of homes, cultural work, and generally advising in everyday matters tending to the spiritual and material improvement of rural life.

Origin of Seasonal Day-Nurseries

Formerly the seasonal day-nursery was generally known as a "farming-season nursery", the first of which was founded in 1890, at Shimo-ajino, Miho Village, Kedaka County, Tottori Prefecture. The record reads: "In Miho village, farmers used to go for what they called distant farming—that is, farming 10 or 20 *cho*¹ away from their homes. They took the sucklings with them to work, but smaller children not yet of school-age were left behind to hurt themselves or fall into a muddy pond. With no one to supervise them, they often drank or ate to excess. A farmer of the village, named Yūhei Kakehi, was worried by this state of affairs and gathered the children into a house used as an evening-school for young people where he could look after them. As the task was not altogether suitable to a man, he had some nuns help him nurse the smaller children."

During the Taisyō period (1912-26), the value of the work came to be generally acknowledged until the number of such nurseries reached 138 in 1926. In the Syōwa period (1927-), they increased still more rapidly for the reasons described above and having to do with the labour shortage due to the China Affair. This is shown in the following table:

¹ A *cho* is a Japanese measure of linear distance equal to 360 ft.

SEASONAL DAY-NURSERIES UNDER IMPERIAL PATRONAGE 377

Numbers of Seasonal Day-Nurseries and Children
Cared for in Last Three Years Preceding 1939

Year \ Class	Spring Sessions		Autumn Sessions		Total	
	Nurseries	Children	Nurseries	Children	Nurseries	Children
1936	9,515	502,501	2,042	93,554	11,563	595,855
1937	13,099	711,407	3,439	160,336	16,538	871,743
1938	16,263	871,843	—	—	—	—

In 1933, those held in the spring alone numbered 16,000, and the number of children looked after exceeded 860,000. As the nurseries also care for children of the men at the front, they may be considered as fulfilling an important mission in a national sense.

Farming-season nurseries, later named seasonal day-nurseries, which have increased so remarkably have also improved in the quality of their service. Each prefecture has offered annually a course of training for day-nursery workers with a view to improving their skill through a better knowledge of hygiene. Equipment too has been considerably improved, in keeping with the progress of the work.

Activities of the Institutions

These social-welfare institutions are seasonally opened for short periods (from a week to a month) according to the requirements of the various districts and depending upon the time of the year and the nature of the work mainly engaged in, whether agricultural, or having to do with sericulture or deep sea fishing.

The organizers or managers of the nurseries mostly belong to religious bodies or women's organizations, and the work is generally carried out within the precincts of Buddhist temples, or in primary-schools, halls of the Young Men's Association, town halls, and public buildings of a suitable nature. In an agricultural village where settlements are scattered, several nurseries are frequently opened in one village, with one for each settlement. Sometimes one management runs more than ten establishments.

Those engaged in these institutions are as a rule trained in kindergarten, women-teachers of primary-schools, members of women's organizations, or individuals who offer their services freely in nursing children. But the insufficient number of trained nurses makes it at times difficult for certain nurseries to take in sucklings. This is indeed a regrettable feature of this social institution. Where

equipment is concerned, there is likewise all too often a deficiency, and the improvement of medical facilities is desirable. The requirements are those needed for the care and amusement of children such as medical supplies, table-utensils, bed-clothes, musical instruments, toys and indoor games.

In order to promote a healthy life through outdoor recreation, sliding-boards and sand-plots are provided; but every possible advantage is taken of those attractions which natural surroundings may afford. Their physical and mental development receives every attention and they are taught habits of cleanliness and discipline. Moreover, they receive training in collective living while sentiments of citizenship are ingrained in them. Certain nurseries go as far as to give special attention to the diet of those in their charge.

As a rule no fee is demanded by the seasonal day-nurseries, but where a charge is made it is no more than the actual cost of the refreshment or meal supplied. In certain cases, fees are paid in kind such as rice, barley, and vegetables. Running expenses are naturally very small, varying according to the size of the institution and the length of its session. The buildings and equipment as well as the services of many of the workers are offered freely. The expenses of a nursery for any one session may run from say yen 50.00 to yen 150.

CONCERNING MR. WANG CHING-WEI'S DECLARATION OF MARCH 12, 1940

—Statement of the Prime Minister, Admiral Mitsumasa Yonai,
Dated March 13, 1940—

TO free the world from contentions and conflicts and to make peace and good will prevail among mankind is an aim consonant with the great ideal upon which our Empire has been founded. It is to that end that a new order in East Asia is contemplated. Every country should be enabled to find its proper place of peace and contentment; there should be amity and harmony among neighbours; and there should be mutual respect for one another's natural endowments, and common prosperity and progress for all.

In the performance of the sacred task of reconstructing East Asia, the first step to be taken is to create and insure a new relationship between Japan, Manchoukuo and China. Needless to say, this new relationship should, of necessity, conform to the ideal underlying the construction of the new order in East Asia. That is why neighbourly amity and goodwill, common defence against the Comintern, and economic cooperation were advocated in the statement of the then Prime Minister, Prince Fumimaro Konoe. Our goal is clear. The concrete programme for the construction of the new order which the Japanese Government propose to accomplish in concert with the new central Government of China is formulated on that very statement. It is devoted to no other purpose than that the nations concerned shall respect one another's racial and national endowments, and shall cultivate relations of mutual aid and good fellowship, stand guard against the menace of Communism so as to insure the peace of East Asia, and practise the principle of ministering to one another's needs by setting-up a reciprocal economic system. That Japan will respect China's independence and freedom has been made clear in the successive statements issued by our Government, and it will be proved by facts as the present disturbances subside.

Although Japan and China are now engaged in hostilities, the two peoples should retain in their hearts the spirit of mutual sympathy and tolerance. The longer the hostilities last, the greater will be the sacrifices imposed upon East Asia. But certainly the great, eternal task of our Empire cannot be abandoned simply

because of these sacrifices. The determination of our Government and people is firm as ever, and the strength of our nation has been augmented according to plan, so that we are ready to carry on our campaign, no matter how long, until the eyes of China's anti-Japanese and pro-Communist régime are finally opened.

Far-sighted men are not lacking among the four hundred million people of China. Some enlightened leaders have long advocated peace and national salvation. In order to rescue their nation from suffering and distress, they are fearlessly standing for right and dedicating their lives to their cause. These men, who share the same solicitudes toward the general welfare of East Asia, are our comrades. We cannot but admire them for their high purpose and their unselfish enterprise.

Mr. Wang Ching-wei is an outstanding figure of the group. He could not endure the state of affairs by which his people were needlessly plunged into the depths of misery through the mistaken policy of the Chungking régime, which, in the last analysis, only hastened the sovietization of his country. He stood out for national salvation in opposition to Communism, and for the conclusion of peace with Japan. In the face of all pressure and persecution by Chungking, he pursued the path of his conviction, bringing light to his people lost in darkness. Thus has he won the confidence and the following of his people. His peace-and-national-salvation movement as well as the preparation for a new central Government have made rapid headway since the Sixth National Congress of the Kuomintang held in Shanghai in August last year.

For the sake of the peace of East Asia, we are truly gratified to know that the Central Political Conference is to meet soon and that a new central Government will be brought into being with the united support and cooperation of both régimes at Peking and Nanking and of the many leaders representing the various political groups and different sections of society. Japan will, of course, render wholehearted assistance toward the formation of the new Government and is prepared speedily to extend recognition following its establishment.

In this connection I should like to add that I am deeply impressed by the fact that those leading statesmen in the Peking and Nanking Governments who have for the past two and a half years devoted every ounce of their energy to the reconstruction and rehabilitation of their respective areas, are now going forward with the work of restoring peace and building up a new China in full accord with Mr. Wang Ching-wei.

On the eve of the establishment of a new central Government of China, I express my ardent hope that Mr. Wang Ching-wei and all

those other men of vision and leadership, united in purpose and resolute in action, will proceed with the great task for the regeneration of Asia. I am convinced that their earnest endeavours will meet with popular approval and support both in and out of China, and that the misfortunes brought on by the present Sino-Japanese conflict will be turned into an eternal blessing.

ARMED STRENGTH OF THE CHUNGKING REGIME

BUREAU OF INFORMATION, WAR DEPARTMENT

THE strength of the Chinese Army, immediately following the fall of the Wuhan area, was estimated at somewhere between one-third and one-fourth of that at the outbreak of hostilities. As is widely known, the Chinese military authorities lost no time in drawing up plans for reorganizing and training both the Party and the Army in order to cope with the new situation. According to their programme, the period of 12 or 18 months—the exact length of time cannot be ascertained—after the surrender of that area was to mark the second stage of resistance, the period preceding being considered as the first stage. During this second stage, extensive preparations for a large-scale offensive were to be carried out, which offensive would prove the third phase of the hostilities that would end in a decisive Chinese victory.

As a matter of fact, they did make every possible effort in equipping and training their forces, placing special importance on the reorganization of the Central armies which were stationed in the so-called 5th and 9th sectors. What they actually achieved, however, appears to have been no more than a realization of from 40 to 50 per cent of their original expectations. Insofar as the numerical strength is concerned, a restoration to the pre-hostility standing may be admitted. In point of equipment, however, the replenishment does not amount to a half of what it was; the replacements in artillery, in particular, being quite negligible. In view of the weakness in this most important branch of a modern army, it will be almost impossible for General Chiang Kai-shek to undertake in the near future large-scale operations similar in magnitude to the Wuhan campaign.

Morale of the Troops

As regards morale, the reorganized Chinese Army cannot be said to possess much; two years of successive defeats have deprived the rank and file of a conviction of certain victory, not to speak of the instilling among them of a feeling of inferiority. Nevertheless, their will to fight and the spirit of anti-Japonism have not died out nor cooled down. They have been persistently moved and led by the

same sentiment as ever against Japan. This persistency is due first of all to the state of mind prevailing among the officers of middle rank, bolstered up by a sentiment of ill-directed nationalism still alive among a populace blinded by tales of Chinese victories fabricated by their military authorities. The efficient, coordinated functioning of the Party and of the military and administrative authorities in concentrating all their efforts on the continuance of the present hostilities, together with a most rigorous enforcement of disciplinary measures, have also had much to do with the maintenance of the martial spirit and of activities against Japan.

Reconstruction of the Chinese Air Force may be mentioned in this connection. All but annihilated by the successful attacks of the Japanese air arm, its various units have fled far into the interior and endeavoured to reorganize themselves. Planes and equipment have been supplied by the Soviet Union and the training of pilots has been directed by Soviet, British, American and French instructors. Thus several hundred men are being instructed and trained at the bases in Lanchow, Chungking, Chengtu and Kweilin. What forms the mainstay of these forces, however, are the Soviet pilots who have already seen active service. The first objective of the reconstruction was for "500 planes at the front." Judging from information available, it appears that they are now in possession of about 300 planes, some of which occasionally visit the fighting zones. The duties of the Japanese airmen, therefore, are now centred in keeping a close watch to prevent such sorties upon their lines.

In Recent Campaigns

A study of recent campaigns, particularly of the "winter offensive," reveals the strength and the weakness of the Chinese Army. What they call the "winter offensive" was certainly carried out from political designs. Its plans, nevertheless, were carefully drawn up and stubbornly executed. The front extended practically the entire length of China, and in Central China alone more than 60 divisions participated in the campaign. The 5th and 9th sectors around Hankow as well as the Tatung sector, on the opposite side from Anking, because of their importance in relation to the Japanese line of communication along the Yangtze River, were the main points of attack. The offensive started about December 10, 1939, and continued until the end of the month—in certain places well into the early part of this year,—the fiercest engagement having taken place during the ten-day period from December 10 to 20. Strategically, these operations showed unity of plan and good control and were,

characterized by engagements of long duration and superior tactics. The Central armies, which had in former engagements been kept in the rear, were placed in the forefront in every offensive action, frequently fighting at close quarters, for long regarded as their weak point. On the whole, though, the degree of resistance was such that positions which took months to fortify were easily broken through by the Japanese in a day or two. The greater ratio of Chinese prisoners to dead in one engagement, and the comparatively small quantity of booty taken by us, clearly indicate the lowering of their strength.

Supply of War Materials

With regard to the supply of war materials from third Powers, the success of the recent Nanning campaign meant the cutting off of the Western Kwangsi motor road along which had been transported nearly half of the imported war materials. This left the entire traffic to be borne by the remaining open routes: the Yunnan Railway and motor road connecting Haiphong, in French Indo-China, with Kunming, and the Yunnan-Burma railway and motor highway; also, the Kwangchowan-Kwangsi motor road, which will however have to be reconstructed; the Foochow-Chungking motor road, which needs strengthening; and the northeastern route via Lanchow. Because of unfavourable topographical and climatic conditions, the long distances, lack of material and labour, the prevalence of disease, it will be a matter of extreme difficulty to carry out the works necessitated by the changed conditions.

Another factor in the successful execution of the Chinese resistance programme is the re-building of the munitions industry. Factories and works relating to war industries have all been moved into the interior districts. All these as well as the arsenals which had existed in these parts have commenced to expand their productive power. But their capacity does not go beyond the supplying and repairing of light arms used in the guerilla warfare. The military authorities at Chungking, if able to supply their immediate needs, will, however, have to face a crisis in this respect and in the not distant future.

New Strategy Adopted

The "winter offensive" has now come to a close; the Chungking authorities are again preparing another offensive. Meanwhile, they have adopted a new strategy which consists in disturbing the peace and order of the Japanese-occupied areas—more particularly by

destroying lines of communication, thereby interrupting the economic life of the country, and by assassinating the leaders of the Wang Ching-wei group. In this manner they are skillfully and energetically striving to win the hearts of the people.

Briefly, the Chungking régime is being gradually exhausted in its armed strength through the Japanese blockade by sea and the counter-offensives by land; it retains, nevertheless, forces which are by no means negligible and which are being continually reinforced through the aid of third Powers. Such a state of things the Japanese military authorities are of course fully prepared to deal with.

TREND OF JAPANESE INDUSTRY

—A Study on the Basis of the Factory Statistics—

DEPARTMENT OF COMMERCE AND INDUSTRY

AN annual survey of factories has been made for some time past by the Department of Commerce and Industry as prescribed by the Regulations Governing Factory Investigations in accordance with the Resources Investigation Law, and the tabulated returns are published as the Factory Statistics. The survey covers only those factories in Japan proper under private management and equipped to employ or employing more than five working hands. Each survey was carried out under the aforementioned Regulations in force at the time, with its prescribed limitations permitting the inclusion only of factories of certain types and capacities in terms of equipment and number of hands engaged. It is on this basis that this brief review of the trend of Japanese industry has been established.

Under the Regulations Governing Industrial Investigations promulgated in September 1939, and replacing the Regulations referred to in the preceding paragraph, future surveys will be extended to cover all factories and workshops throughout the country. The first investigation in keeping with the new system was made during the course of last year, but the returns are not as yet ready for publication.

Number of Factories

CHART 1

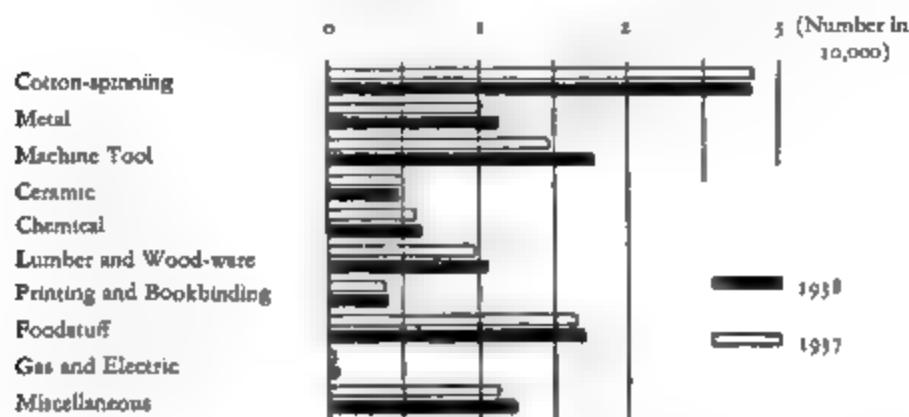


A cursory examination of Chart 1 reveals a progressive, if some-

what irregular, rise over the ten-year range with the figures for 1938 showing an increase of 85 per cent over those for 1929.

CHART 2

(Classification by industry for 1938. Comparison with 1937)



	No. of factories in 1938	Rate of increase or decrease compared with 1937
Cotton-spinning	28,095	(-) 0.3%
Metal	11,129	(+) 10.3
Machine Tool	17,576	(+) 20.1
Ceramic	4,813	(+) 3.3
Chemical	6,147	(+) 5.6
Lumber and Wood ware	10,628	(+) 7.6
Printing and Bookbinding	3,932	(+) 1.9
Foodstuffs	16,941	(+) 2.6
Gas and Electric	670	(+) 2.1
Miscellaneous	12,598	(+) 8.4

Here a division is made according to the kind of industry engaged in and a comparison drawn between the 1937 and 1938 returns.

In contrast to the marked increase in the number of machine tool and metal working factories, it will be noted that cotton-spinning registers a slight diminution.

Chart 3 demonstrates the composition of Japanese industry over the ten-year period 1929-1938. It will be seen that the latest figures give the cotton-spinning industry 25 per cent of the total number of factories, placing it well in the lead of all others—a rank it has consistently held throughout the survey. Machine tool factories

over the rest of the period surveyed, that for 1938 being 9 per cent over the figure for 1937.

CHART 5
(Classification by industry for 1938. Comparison with 1937)



	No. of factory hands in 1938	Rate of increase or decrease as compared with 1937
Cotton-spinning	978,317	(-) 3.2
Metal	373,334	(+) 20.9
Machine Tool	846,512	(+) 40.7
Ceramic	103,462	- 6.6
Chemical	322,461	(-) 0.3
Lumber and Wood-ware	114,491	(+) 6.1
Printing and Bookbinding	63,176	- 1.7
Foodstuff	190,216	(+) 2.1
Gas and Electric	10,530	(+) 13.1
Miscellaneous	194,406	(+) 3.9

There is a marked rise in the 1938 figures for the machine tool and metal industries over those of 1937. Ceramics, however, showed a decline for the same period of 6.6 per cent. and cotton-spinning 3.2 per cent.

CHART 6
(Comparison on a percentage basis)

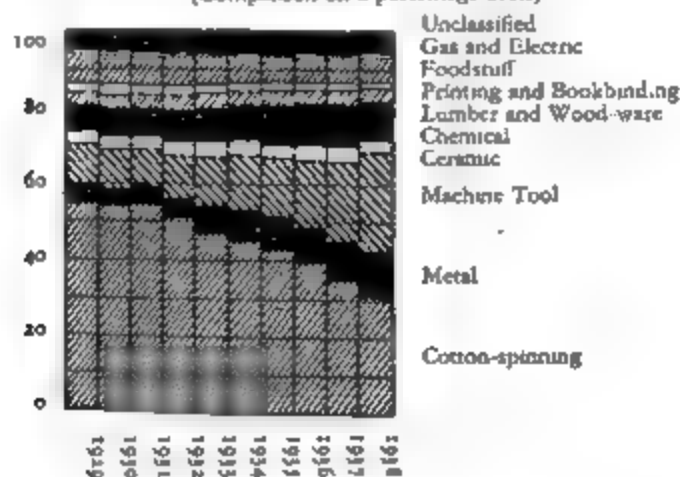
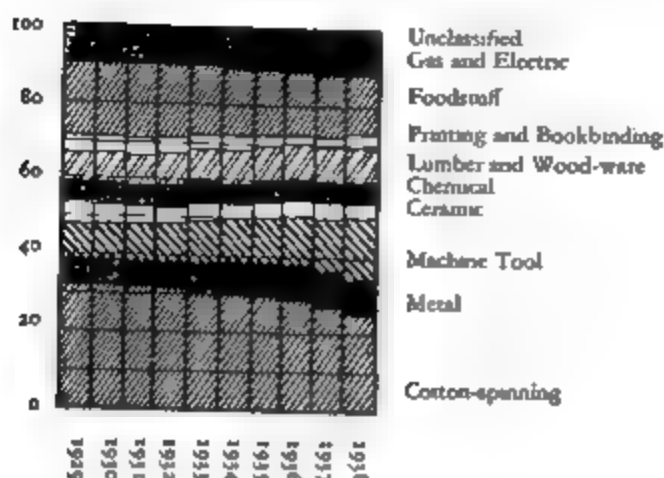


CHART 3

(Comparison on a percentage basis)

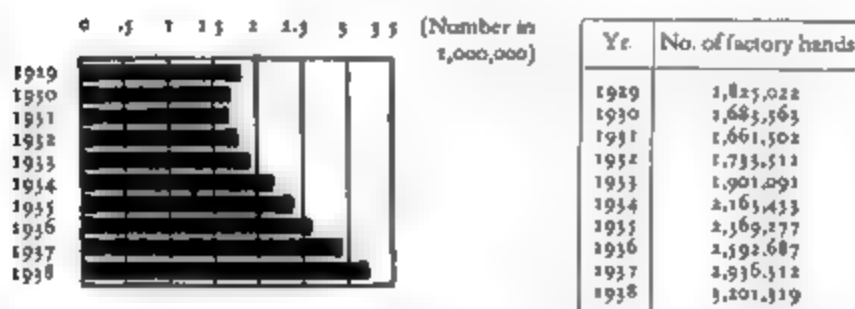


come next in importance with 15.6 per cent, to be closely followed by the foodstuff industry with 15.1 per cent. Unclassified industries make for only 11.0 per cent of the total, and metals 9.9 per cent.

Number of Factory Hands

CHART 4

(Totals according to year)



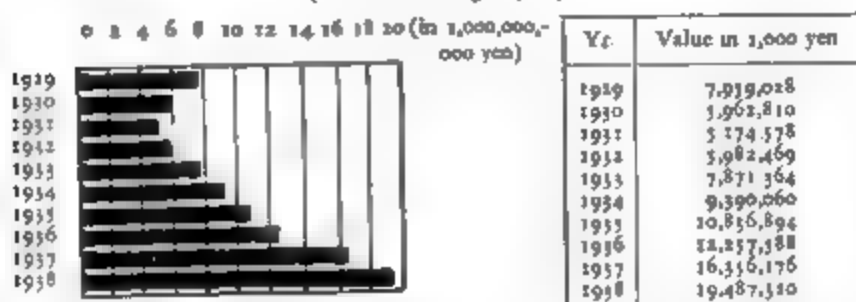
It will be noted from a comparison of Chart 1 to the above that despite the constant yearly increase in the number of factories, there was a marked decrease in the number of hands employed during the three years succeeding 1929. It was not until 1933 that the upward trend was re-established, the rise being fairly consistent

The move from the light to the heavy industries is clearly indicated in chart 6. In spite of this change in the grouping, cotton-spinning still leads all other industries in the percentage of hands employed with 30.6 per cent of the total for 1938; machine tool follows, accounting for 26.4 per cent, and the metal and chemical industries 11.7 per cent and 10.1 per cent respectively.

Value of Output

CHART 7

(Tons according to year)

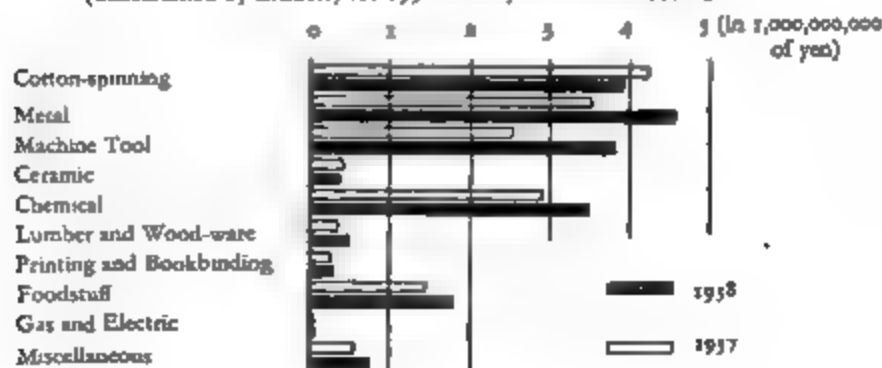


Examination of these returns (chart 7) shows a decline in the four years following 1929, known as "the year of the great depression." Otherwise, the rise in the value of industrial production is truly remarkable though allowance will of course have to be made for the general price-increase that has taken place.

In respect of the gas and electric industries, the figures pertain only to the value of the by-products of those industries.

CHART 8

(Classification by Industry for 1938. Comparison with 1937 figures)

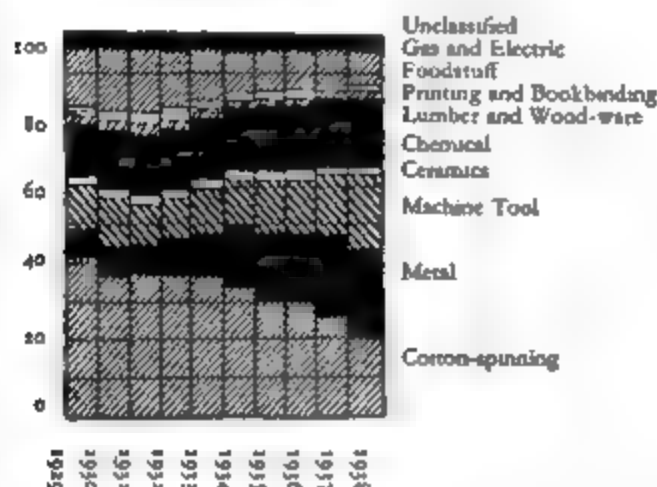


	Output in 1,000 of yen	Rate of increase or decrease as compared with 1937
Cotton-spinning	3,935,142	(-) 7.2
Metal	4,581,107	(+) 50.8
Machine Tool	3,801,319	(+) 42.7
Ceramic	400,869	1.1
Chemical	3,470,169	(+) 19.6
Lumber and Wood-ware	417,372	(+) 20.5
Printing and Bookbinding	280,997	(+) 2.8
Foodstuff	1,789,208	(+) 21.4
Gas and Electric	47,190	(+) 66.1
Miscellaneous	724,902	(+) 21.3

The increases for 1938 over the 1937 returns covers the whole range of industries, particularly in respect to the gas and electrical and the machine tool and metal industries.

CHART 9

(Comparison on a percentage basis)



In the percentage of total output value, the cotton-spinning industry has had at last to cede pride of place to metal working. The 1938 returns charted above show only 20.2 per cent for the former as against 23.5 per cent for the latter; while machine tool and chemical industries follow closely with 19.5 per cent and 17.8 per cent respectively.

INCREASE OF SAVINGS

—As on December 31, 1939—

THE savings of the people rose to 7,941 million yen during the period from April 1939 to the end of the year as shown below, indicating resolute steps toward the goal of 10,000 million (where no definite figures are obtainable, estimated figures are used instead, which are therefore subject to revision).

(In units of one million yen)

Savings	1939				1938
	April to June	July to September	October to December	April to December	April to December
Postal Savings.....	350	404	225	959	574
Postal Insurance Reserve Fund	70	68	50	188	153
Postal Annuity Reserve Fund	9	10	12	31	19
Bank Deposits	1,295	1,173	1,791	4,259	2,414
Credit Cooperatives, Deposits	169	171	170	510	199
Trust Money	60	102	68	230	144
Insurance Companies' Reserves	115	115	106	336	287
Mutual Financing Companies' Capital	15	27	25	67	45
Total	2,063	2,070	2,443	6,578	3,945
Investments in Securities by Private Individuals	465	221	679	1,365	1,701
Grand Total	2,528	2,291	3,122	7,943	5,646

N.B.

1. The Postal Transfer Account and current deposits with banks are excluded.
2. Mutual deposits with banking institutions are excluded.
3. The increase of investments by private individuals in securities is what is left by deducting the actual increase in securities owned by various banking institutions and their loans on securities, and also the actual increase in securities owned by the Government, from the actual increase (namely, what is left by deducting the redeemed amount from the amount floated) in national bonds, local government bonds and debentures.

THE CHINA AFFAIR AND WORLD DEVELOPMENTS¹ FROM NOVEMBER, 1938 TO DECEMBER, 1939

—Reviewed in Chronological Order—

CABINET INFORMATION BUREAU

1938

November 3 Japanese Government files a formal statement with the League of Nations of its intention of quitting further cooperation with all organs of the League.

The four Power conference for the mediation of the Czecho-Hungarian frontier disputes meets in Vienna.

November 3 Japanese Government issues a statement elucidating future Japanese policy in the China Affair. Ceremony celebrating the complete occupation of the Wuhan area is held in Hankow. The second joint-committee meeting of the Provisional and Renovation Governments of China is convened at Nanking, and a declaration of anti-Comintern and peace policy is issued.

November 4 Japanese forces occupy Tungshan in Hupai.

November 7 Inaugural meeting of shareholders of the North China Development Company is held in Tokyo.

November 22 Complete occupation of Yochow in Hunan.

November 14 The Japanese Foreign Minister replies to the British, American and French representations of November 7 dealing with the free navigation of the Yangtze, stating the prematurity of opening the river.

November 15 Japanese naval air units raid Chengtu, capital of Szechwan

Province; military air units attack Lanchow, capital of Kansu Province, Ningais and Sian.

An agreement on cultural cooperation between Japan and Hungary is signed.

The President of the United States issues important statement on America's defence measures.

November 16 The Anglo-Italian agreement becomes effective. Great Britain formally recognizes the Italian annexation of Abyssinia.

November 17 A reciprocal commercial treaty between Great Britain, Canada and the United States is signed. The State Council of British Columbia (Canada) votes down an anti-Japanese resolution.

November 18 Lieutenant-General Rikichi Ando is named Commander of the Japanese military forces in South China.

Japanese Government replies to the American representations of October 8 regarding the maintenance of U. S. rights and interests in China.

November 19 Maritime customs at Canton is taken over by the Japanese.

November 21 Ambassador Ohshima presents credentials to Herr Hitler who emphasizes friendly relations between Germany and Japan.

The boundary between Germany and Czecho-Slovakia is finally delimited.

November 22 An economic conference representing Japan, Manchoukuo and China is held in Tokyo.

November 23 An agreement on

¹Continued from the Chronology published in the February, 1939, issue.

cultural cooperation between Germany and Italy is signed.

November 24 Conversations between Great Britain and France are held in Paris.

November 25 Peace preservation Committee for the Wuhan cities is organized at Hankow.

An Agreement on cultural cooperation between Japan and Germany is signed.

November 28 A general meeting of representatives of the national movement for the establishment of a new central government in China is held in Nanking.

November 30 Japanese Government, in the presence of H.I.M. the Emperor, decides upon a permanent policy for the settlement of Sino-Japanese relations after the fall of the Wuhan cities.

An anti-government general strike breaks out in France.

December 1 Wang Ko-min, chairman of the Executive Committee of the Provisional Government of China, issues from Peking an appeal "To the People of China." A Sino-Japanese economic league is organized at Tientsin.

The East Asia Cultural Cooperation Council meets at Tokyo.

An agreement fixing the boundary between Poland and Czecho-Slovakia is signed.

December 2 Italy enters the London Treaty.

December 3 Kuukiang in Kwangtung Province is occupied by Japanese forces.

December 6 German Condor plane makes a forced landing in Manila Bay.

Franco-German non-aggression pact is signed.

December 9 General Sugiyama appointed Commander of the Japanese forces in North China.

The 8th Pan-American Council meets at Lima

December 11 German Nazi Party is

completely victorious at the Memel elections.

December 13 Ambassador Togo rejects the Soviet proposal on the auctioning of the leases in the fisheries dispute between Japan and U.S.S.R. The negotiations make no progress.

December 16 The China Affairs Board is created as the central organ in the construction of a new order in East Asia.

Wang Chung-wei Leaves Chungking

December 18 Wang Chung-wei, Vice-President of the Nationalist Party and Chairman of the National Administrative Advisory Council, leaves the Chungking Government.

The agreement between France and Italy is abrogated.

December 20 The Federal Reserve Bank of China in Peking issues small denomination notes for circulation in North China.

Peace preservation committee is organized at Canton.

December 22 Prince Konoé, Prime Minister, issues statement on the fundamental Japanese policies to readjust relations between China and Japan.

The Pan-American Council adopts the Lima declaration.

Aggravation of relations between Germany and the United States is reported.

December 24 The 74th session of the Imperial Diet is convened

December 26 The Military Department of the Imperial Headquarters announces the results of military operations in China for the period July, 1937, to November, 1938: Chinese killed 823,000; wounded, estimated at 2 millions. Japanese losses were 47,133 killed. Area occupied by Japanese forces: 1,313,696 square kilometres, (twice the size of Japan).

A treaty of commerce between

Poland and the U.S.S.R. is concluded.

December 22 Chiang Kai-shek refutes the Kono statement of December 22.

December 30 Wang Chung-wei addresses a statement to Chiang Kai-shek from Hanot.

The Navy Department of the Imperial Headquarters announces the results of naval operations in China during the year 1938: number of Chinese gun-boats damaged, 7 aggregating 4,600 tons; smaller ships, 12 totalling 3,180 tons; Chinese military planes destroyed during 1937 and 1938, 1,293 against a Japanese loss of 113 planes.

December 31 The United States of America issues a notification to Japan in the matter of the Open Door policy in China.

1939

January 1 The Chinese Nationalist Party expels Wang Chung-wei.

January 3 Lieutenant-General Otozo Yamada is named Commander of the Japanese forces in Central China.

The Provisional Government in Peking devaluates the note-issue for the second time.

Oxford University issues a statement in support of the Chiang Kai-shek régime.

A collision between Czech and Hungarian frontier forces is reported.

U. S. Congress opens its 76th session

Hiranuma Comes to Power

January 4 The Kono Cabinet tenders its resignation to the Throne.

January 7 Baron Kichiro Hiranuma forms new cabinet by Imperial Command. Prince Kono becomes President of the Privy Council, replacing Baron Hiranuma.

Polish-German conversations are held at Berchtesgaden.

January 8 British Government increases fund for the Exchange Equalization Account.

January 8 Wang Chung-wei's communication to Chiang Kai-shek is made public.

Negotiations between Japan and the U.S.S.R. on the fisheries question are reopened.

January 10 Hungary formally recognizes Manchoukuo.

January 12 President Roosevelt issues a special message on national defence.

January 13 A communiqué on the Anglo-Italian conversations is published, indicating a divergence of views.

Hungary announces her intention of joining the Anti-Comintern pact.

January 14 The British note to the Japanese Government in connection with Japan's policy in China is received.

January 15 The Chungking Government announces the suspension of interest payments on foreign loans.

January 16 Manchoukuo announces her entry into the Anti-Comintern Pact.

January 19 The French note to the Japanese Government in connection with Japan's policy in China is received.

January 20 A plenary session of the Fifth Central Executive Committee of the Kuomintang is called. The session adopts decisions on the unity of all anti-Japanese parties and drafts schemes for the development of South-Western China. Chiang Kai-shek's address stresses necessity for continued resistance to Japan.

The League of Nations votes in support of the Chiang Kai-shek régime and condemns Japan.

January 21 The 74th session of the Imperial Diet reopens after the New Year's holidays with ministerial addresses.

January 24 The third joint-committee

meeting of the Provisional and Renovation Governments of China makes declaration in response to the Konoe statement

January 25 German Foreign Minister von Ribbentrop visits Poland.

January 26 General Wu Pei-fu makes statement in connection with his sponsorship of a movement for saving China.

The Fifth Central Executive Committee of the Kuomintang frames a new plan for further cooperation with the Chinese Communist Party.

Barcelona falls to the Franco forces.

The Japanese plane "Nogi" arrives safely at Bangkok, completing a 3,000 km. good-will flight to Thailand.

January 29 Japanese naval air forces bomb Nanning in Kwangsi Province.

January 30 The Peace-and-National-Salvation Association of China issues statement on their movement led by General Wu Pei-fu.

German Reichstag is convened.

Soviet Government makes public the third five-year programme.

February 1 A Supreme Defence Commission is created in the Nationalist Government at Chungking.

February 2 Western borders of Manchoukoo invaded by Soviet units.

Japanese submarine "I" No. 63 sinks in the straits between Kyushu and Shikoku; entire crew of 81 perish.

The severance of diplomatic relations between Hungary and the U.S.S.R. is reported.

February 4 The Grand Council of the Fascist Party meets.

Hungary proclaims a state of siege.

The Yugoslavia Cabinet resigns.

February 7 A treaty of Commerce between Italy and the U.S.S.R. is signed.

February 9 Japanese Government at a cabinet meeting adopts measures for strengthening the national spiritual mobilization programme.

Belgian Cabinet resigns.

General Franco announces the occupation of Minorca.

Occupation of Hainan Island

February 10 Hainan Island, off the South China coast, is surprised by the Japanese landing forces under Vice-Admiral Nobutake Kondo, Commander of the Imperial Naval Forces in South China. Kuangchow and Haikow fall into the hands of the Japanese.

Japanese Consul-General Miura lodges a protest with the Shanghai Municipal Council in connection with continued terrorism.

H.H. Pope Pius XI passes away.

February 13 The House of Representatives of the Imperial Diet consents to Budgetary Bills for 1939, including the Budget for the General Account amounting to 3,694 million yen.

The French Ambassador, Charles Arsene-Henry, makes representations to the Japanese Government in connection with Japanese occupation of Hainan Island.

A treaty of commerce between Germany and Italy is concluded.

American naval manœuvres commence.

February 14 British Ambassador Sir Robert Craigie makes representations to the Japanese Government in connection with Japanese occupation of Hainan Island.

A Japanese naval force occupies Samah, Yulinkan and Ai-hsien in Hainan Island.

The House of Representatives of the Imperial Diet adopts decision to maintain Japan's fisheries rights in Russian waters.

February 17 American Ambassador Joseph C. Grew adopts steps similar to those taken by the French and British ambassadors regarding Japanese occupation of Hainan Island.

February 21 Mistaken bombing of British territory near Shunchun, on Canton-Kowloon Railway, by a Japanese military flier creates incident.

February 22 Japan requests British authorities to put down terrorism in the British Concession in Tientsin.

February 23 Japanese forces occupy Yokiskow, important point on the Han River.

The House of Representatives of the U.S. Congress votes down a bill for fortifying Guam Islands.

February 24 Manchoukuo and Hungary formally enter into the Tripartite Agreement against the Comintern.

February 25 The Governor-General of French Indo-China announces blockade of Camranh Bay.

February 26 Hiroshi Satto, former Ambassador to U. S. A., passes away in Washington.

February 27 The Franco Government of Spain is formally recognized by Great Britain and France, bringing to a close the civil war.

February 28 Manuel Azana, President of Spain, elected by the Popular Front Party, resigns.

Japanese art exhibition is opened in Berlin.

March 1 Japanese Consulate in Taiyuan, Shansi Province, is opened.

March 2 Weiyin, Weian and Kuikow, in Hupei Province, are occupied by Japanese forces.

March 3 Details of peace preservation measures for Shanghai are decided upon at meeting of the Japanese representatives and the Municipal Council.

The Japanese Army in North China announces the results of their campaign in central and southern districts of Hopei Province: Chinese killed 4,311; prisoners 490. Japanese losses 38 killed, 152 wounded.

A Japanese force takes Hsukow, in Kiangsu Province.

March 4 Hatchow, in Kiangsu Province, is occupied by a Japanese

detachment.

March 7 The Imperial Diet passes the General Budget for 1939-40 fiscal year.

March 8 The Imperial Household Department announces the name of the new-born Imperial Princess as Sugano-Miya Takako.

March 10 S. Bose, President of the People's Council of India, denounces British Government at annual convention of the Council.

The 18th general meeting of the Soviet Communist Party is held in Moscow.

March 11 Japanese forces enter Wenteng-hsien in Shantung Province.

The Provisional Government in Peking promulgates laws for punishing manipulators of the money market and to enforce prohibition of the circulation of former bank notes.

March 12 Enthronement of H. H. Pope Pius XII takes place in Rome.

March 14 H. I. M. the Emperor pays homage in person at his father's mausoleum at Tama, and makes a visit to the third special military hospital at Haramachida.

German Advance into Czecho-Slovakia

Czecho-Slovakian Government falls as German military units invade the country. Slovakia declares its independence.

March 15 Poland recognizes the independence of Slovakia. Czech territory is declared a protectorate by Germany under the name of the Protectorate of Bohemia and Moravia. Ruthenia declares independence.

March 16 Slovakia becomes a protectorate of Germany.

March 17 The American State Department issues statement on the Czech situation.

March 18 Great Britain and France protest against German action in relation to Czecho-Slovakia.

March 2 Tsen Chung-ming, Secre-

tary to Wang Chung-wei, is assassinated at Hanot.

March 22 Fengsun and Anki, in Kiangsi Province, are occupied by Japanese forces.

Memel severts to Germany.

March 23 An agreement between Germany and Slovakia is concluded.

An Agreement on cultural co-operation between Japan and Italy is signed.

March 24 British Parliament passes equalization fund in connection with Chinese currency issue.

March 26 The 74th session of the Imperial Diet adjourns after passing 89 bills including the 1938-39 Budget amounting to over 9,400,000,000 yen.

March 27 Nanchang, in Kiangsi Province, falls to Japanese forces.

March 28 Japanese Government promulgates law establishing National Spiritual Mobilization Commission, and names its members.

British Prime Minister Neville Chamberlain announces the organization of an anti-German front.

The surrender of Madrid to the Franco forces is formally announced.

The Indian Legislative Assembly rejects ratification of the commercial agreement between England and British India.

March 30 The fourth joint-committee meeting of the Provisional and Renovation Governments of China adopts concrete plan for promoting the Peace and National Salvation Movement.

The Japanese Government announces the placing of Simian, or Spratley Islands, under jurisdiction of the Government-General of Formosa.

March 31 Wang Chung-wei issues his third plea for peace in China.

Imperial ordinances are issued pertaining to the limitation of working hours in factories, the control of wages, the training of technicians in schools and factories and the limitation

of the number of workers to be newly employed in factories. Competent authorities place the goal of national savings at 10,000,000,000 yen for the fiscal year 1939-40. The revised Military Service Law comes into force.

Britain Supports Poland

British Prime Minister announces Britain's support of Poland.

April 1 The Japanese Board of Electricity is established. The Central Aviation Laboratory commences work.

The United States of America formally recognizes Franco régime in Spain.

April 2 Reconstruction of the Tientsin-Pukow Railway is completed.

Kaown, in Kiangsi Province, is occupied by Japanese forces.

Provisional fishery agreement between Japan and the U.S.S.R. is signed.

April 3 The King of Iraq dies following an automobile accident.

April 7 Great Britain and Poland conclude a treaty of mutual assistance.

M. Albert Lebrun is re-elected President of the French Republic.

April 7 A telegraph office is opened in Hsuan Island by the Japanese.

Harumichi Tanabe and General Kuniki Kono are installed as Communications and Overseas Ministers respectively.

Italy announces the dispatch of forces to Albania.

Spain expresses her intention of entering the Anti-Comintern Agreement.

April 8 Wang Chung-wei proclaims his fourth appeal to Chungking.

Japanese naval airmen bomb Yunnan, capital of Yunnan Province.

April 9 Cheng Hsi-keng, superintendent of the Tientsin maritime customs, is assassinated.

Japanese plane "Soyokaze" leaves Tokyo on good-will flight to Iran,

arriving at destination on April 15.

April 11 Anpei, important position in Suiyuan Province, falls to the Japanese forces.

Hungary leaves the League of Nations.

April 13 The Grand Council of the Fascist Party proclaims the annexation of Albania by Italy.

Aggravation of Political Situation in Europe

April 14 President Roosevelt dispatches peace messages to Herr Hitler and Signor Mussolini.

April 16 Tamechow, in Kwangtung Province, occupied by Japanese forces.

April 18 Lushan, in Kiangsu Province, captured by Japanese forces.

Charles Kramer introduces two anti-Japanese bills before U.S. Congress.

April 19 The revised Ordinance Concerning Young Men's Schools is promulgated.

April 20 Special Municipal Government of the Wuhan Cities is created. The so-called April offensive of the Chiang Kai-shek army is crushed by Japanese counter-operations.

Prime Minister Neville Chamberlain announces the creation of Munitions Ministry.

April 21 A federation of peace-and-national-salvation associations is organized at Hankow.

April 26 Prime Minister Neville Chamberlain discloses the details of British conscription system.

April 28 Her Majesty the Empress grants a donation of 500,000 yen for the prevention of tuberculosis.

Germany notifies Great Britain of abrogation of the Anglo-German Naval Agreement.

April 29 Japan celebrates the 38th birthday of her Emperor.

Prince Teh installed as Chairman of the General Affairs Committee of the Federation of Autonomous Governments of Mongolian Provinces.

May 1 Hwa-Hsing Commercial Bank is established for the rehabilitation of China.

Japanese Cabinet adopts decision establishing Tuberculosis Prevention Society in response to the benevolent wishes of Her Majesty the Empress.

May 3 Foreign Vice-Minister Renzo Sawada makes representations to British and American Ambassadors in Tokyo proposing a reorganization of the Shanghai Municipal Council.

M. M. Litvinov, Commissar of Foreign Affairs of the Soviet Union, resigns and is succeeded by V. M. Molotov.

French Government announces an embargo on Japanese goods.

May 4 Japanese naval air forces raid Chungking for the first time.

German good-will plane, piloted by Baron Friherr von Gablenz, arrives at Haneda Air Port, Tokyo.

May 5 Polish Foreign Minister Beck explains rejection of German demands.

The Japanese Cabinet acknowledges the proposed general programme for price control.

May 8 Spain leaves the League of Nations.

May 9 The four Scandinavian countries declare their neutrality in case of war.

May 11 Authorities of the Shanghai foreign settlement issue an emergency proclamation.

Outer Mongolian armies invade Manchoukuo territory at Nomonhan.

Conclusion of a commercial treaty between Great Britain and Rumania is made public.

Kulangsu Question

May 12 A Japanese landing party occupies Kulangsu for the preservation of peace and order.

Agreement between Great Britain and Turkey is concluded.

May 16 British Ambassador Sir

Robert Craigie makes representations to the Japanese Foreign Office in connection with the Kulangsu question.

A new bill for the revision of the Neutrality Act is introduced into U.S. Congress.

May 17 Great Britain, France and the United States land forces at Kulangsu.

H. M. King George VI visits Canada.

May 20 The Five-Ministers' Conference comes to a decision regarding Japan's attitude toward European countries in the acute international political situation. Prime Minister Baron Hiranuma is received in audience by the Emperor and submits the decision to the Throne.

May 22 His Majesty the Emperor reviews in person representatives of all student bodies in Japan on the 15th anniversary of the promulgation of the Ordinance placing students under discipline of military officers in active service.

Treaty of Friendship and Alliance is concluded between Germany and Italy.

May 23 The Third Supreme Council of the U.S.S.R. is convened.

May 27 The Council of the League of Nations adopts resolution supporting the Chiang Kai-shek régime.

May 29 The Imperial Army discloses the results of the warfare in China up to April 30, 1939: Chinese killed, 936,341; other losses estimated at 2,300,000. Japanese losses, 19,998 killed.

May 31 The Imperial Navy reports losses of Chinese planes as 1,361 up to March 31, 1939, against that of Japanese planes, 116.

Blockade of the British Concession in Tientsin

June 1 Japan and Manchoukuo formally recognize Slovakia.

June 3 Soviet units unlawfully penetrate into Chanlingtz, Manchoukuo.

June 6 The British Consul-General at Tientsin rejects Japanese demands for the surrender of the Chinese charged with the assassination of Cheng Hsi-keng, Customs Superintendent.

June 7 German non-aggression pacts with Latvia and Estonia are signed.

The Hongkong and Shanghai Banking Corporation at Tientsin stops selling foreign currencies. The Chinese legal tender notes begin rapid depreciation.

June 9 Ishui and Luhsien, in Shantung Province, fall to the Japanese after 6-day operations.

H.M. King George VI visits the United States and is received by President Roosevelt at the White House.

June 10 The poisoning of several officials occurs at banquet given in the Japanese Consulate-General in Nanking.

June 12 Wang Chung-wel issues pronouncement on "the actual facts of Chinese resistance."

British Foreign Secretary Viscount Halifax, before the House of Lords, refers to the China Affair declaring Great Britain cannot but regard with gravity the standing menace to British rights and interests in China resulting from Japan's actions.

June 14 The Japanese Army blockades the British and French Concessions in Tientsin.

June 15 British special mission begins negotiations with the Soviet authorities.

Collision between German and Polish frontier guards is reported.

June 16 The Outer Mongolian army invades Manchoukuo crossing the Khalha River. Soviet planes from Outer Mongolia bomb the Kanchuerh-mao district, Manchoukuo.

British Government voices determination to protect British rights and interests in China.

Soviet Government publishes communiqué in connection with the Anglo-Soviet negotiations.

June 19 Japanese authorities in Tientsin declare principal aim of the blockade of foreign concessions is to secure British consideration of their demands.

June 20 Foreign Minister Hachiro Arita rejects British proposal made through Ambassador Sir Robert Craigie in connection with an amelioration of the Japanese blockade of foreign concessions in Tientsin.

June 21 Japanese forces occupy Swatow, last remaining Chinese port of any size. Yuanku, in Shansi Province, falls to the Japanese.

The Foreign Office urges third Powers to appreciate Japan's purpose in effecting military operations at Swatow.

Third conference between Great Britain, France and the U. S. S. R. meets in Moscow.

June 22 One hundred and fifty Soviet war-planes cross the western Manchoukuo border near Kanchu, 49 of which are shot down by the Japanese air-force.

A peace preservation committee is organized at Swatow.

June 23 A Japanese landing party occupies the Chushan Islands commanding Hangchow Bay.

Japanese Ambassador Mamoru Shigemitsu sees British Foreign Secretary Viscount Halifax in London in regard to pending diplomatic matters between Great Britain and Japan.

Agreement is concluded between Great Britain and the United States for the exchange of raw materials.

June 24 Germany and Denmark exchange ratification of the non-aggression treaty.

June 25 Conclusion of a commercial treaty between Soviet Russia and the Chungking Government of China is proclaimed.

June 26 British Ambassador Sir Robert Craigie calls on Foreign Minister Hachiro Arita and proposes the opening at Tokyo of conversations for settling the Tientsin issue.

June 27 Japanese war-planes engage 200 Soviet machines in combat above Lake Baikal and shoot down 98.

June 28 Great Britain proposes to Germany new naval agreement.

British Prime Minister Neville Chamberlain makes announcement in connection with the Tientsin issue.

June 30 The British land small force at Foochow in Fukien Province.

Ambassador Shigenori Togo files protest with the Soviet Government in connection with fisheries dispute.

(to be continued)

CONCERNING THE JAPANESE-NETHERLANDS ARBITRATION TREATY

—Statement of the Foreign Office Spokesman,
February 12, 1940—

1. The signed Protocol annexed to the treaty concluded between Japan and the Netherlands on April 19, 1933, regarding judicial settlement, arbitration and conciliation, contained a provision stipulating that in case any change is made in Japan's legal position *vis-à-vis* the Permanent Court of International Justice as a consequence of Japan's withdrawal from the League of Nations, the two Contracting Parties should begin consultation for the purpose of examining whether or not it is necessary to revise the provisions of the said treaty which concern the Permanent Court of International Justice.

2. Japan's withdrawal from the League of Nations and the change in her relations with the Permanent Court of International Justice have caused her to consider it necessary to make some technical adjustments in the treaty. The Japanese Government have, therefore, requested the Netherlands Government to open conversations promptly with a view to revising the treaty, which has resulted in an agreement of views between the two Governments.

3. The Japanese Government have, under the provisions of Article 25 of the treaty, taken the steps which are necessary for terminating the validity of the treaty on August 11 of this year.

The sole purpose of the Japanese Government in terminating the treaty lies in their desire not to be further bound by it in case the conversations for the treaty revision do not reach conclusion by the said date.

4. In view of these circumstances the Japanese Government are earnestly desirous of completing quickly the conversations on the treaty revision and concluding a new treaty before the invalidation of the abrogated treaty.

**ORDINANCE PERTAINING TO TEMPORARY MEASURES
CONCERNING REMUNERATIONS OF SALARIED
EMPLOYEES OF CORPORATIONS**

**Imperial Ordinance No. 706 of October 16th of
1939 (14th Year of Syōwa)**

ARTICLE 1.

Among the orders to be issued regarding corporations by virtue of Article 11 of the National General Mobilization Law (inclusive of the cases falling within the purview of Imperial Ordinance 317 of 1938, same context following), those concerning remunerations of the salaried employees of corporations shall be governed by the provisions of the present ordinance.

ARTICLE 2.

The present ordinance shall apply to those corporations coming under any of the categories mentioned below :

1. A corporation whose capital (that is to say, the total amount of investment, total value of stocks, or the combination of both investment and stocks, or the total amount of the funds) is 200,000 yen and upwards.
2. All other corporations designated by Cabinet Ordinance.

ARTICLE 3.

A salaried employee within the meaning of the present ordinance is a person coming under any of the categories mentioned below :

1. Those who are engaged in the business of a corporation as its executives (hereinafter to be referred to as officers).
2. Those who are engaged in the business of a corporation or otherwise so designated by Cabinet Ordinance, or those who are employed by a corporation (hereinafter to be referred to as members of the staff) with the exception of those coming under the preceding category ; and the workers receiving wages prescribed by Article 3 of the Imperial Ordinance Concerning Temporary Measures Pertaining to Wages.

ARTICLE 4.

A remuneration within the meaning of the present ordinance is any salary, allowance, bonus, entertainment allowance, secret service fund, or whatever is paid, irrespective of its designation, by a corporation to its employees in return for their services in money or in kind, or by way of any other material benefit.

ARTICLE 5.

With respect to remunerations to be paid at stated periods in a fixed sum or quantity, or fixed ratio, and such other remunerations as are designated by Cabinet Ordinance (hereinafter to be referred to as salaries and allowances), a corporation shall not increase nor pay such remunerations after date of promulgation of this ordinance without abiding by the rules concerning salaries and allowances (that is to say, rules prescribing the criteria of kinds, ranks, amounts, quantities, rates, payment, and increase or decrease of salaries and allowances, and also the criteria of initial salaries, same context following) dated the 18th of September of 1939 (hereinafter to be referred to as the designated date), or without abiding by rules concerning salaries and allowances as sanctioned by the competent Minister in accordance with Article 7 of the present ordinance; or by rules concerning salaries and allowances altered by permission of the competent Minister in accordance with Article 8; but this shall not apply in cases where sanction to deviate therefrom is granted by the competent Minister.

ARTICLE 6.

The corporation shall submit a report to the competent Minister on the rules governing salaries and allowances in force at the designated date, in accordance with Article 31 of the National General Mobilization Law, as prescribed by Cabinet Ordinance.

The rules governing salaries and allowances to be reported in accordance with the preceding paragraph shall be those which can be proved to have been customary or such private rules as existed at the designated date, or those approved by the competent Minister in the case where such proofs can not be furnished.

ARTICLE 7.

A corporation which had no rules governing salaries and allowances at the designated date or a corporation which was established after the designated date, shall make its rules governing salaries and allowances and receive the sanction of the competent Minister thereto for their application.

ARTICLE 8.

A corporation shall, when it intends to alter its rules governing salaries and allowances, first apply to the competent Minister for sanction to effect the intended alterations.

ARTICLE 9.

When a corporation intends to pay remunerations other than salaries and allowances to its officers and the members of its staff at stated periods (hereinafter to be referred to as bonuses) and when previously no such bonuses were paid, it shall obtain the sanction of the competent Minister to effect such payment; but this shall not apply in cases where the total amounts of such bonuses do not exceed the limit fixed by Cabinet Ordinance.

Excepting the cases mentioned in the preceding paragraph, a corporation shall not, whenever bonuses are given, give its officers and the members of its staff the bonuses the total whereof is greater than the amount shown in the following particulars; this, however, shall not apply in cases where the total amount of bonuses does not exceed the limit fixed by Cabinet Ordinance, or where sanction of the competent Minister has otherwise been obtained for the payment of such bonuses.

- 1 As for the bonuses to officers, they shall be the total amounts of bonuses paid at the corresponding period of the previous year; but where the number of officers has been increased over that of the corresponding period of the previous year, the total amounts of bonuses shall include the addition prescribed by Cabinet Ordinance.
- 2 As for the bonuses to members of the staff, they shall be the amounts resulting from multiplying the rate (hereinafter to be referred to as the bonus rate) obtainable by dividing the total amounts of bonuses paid at the corresponding period of the previous year by the monthly averages of the total amounts of the standard salaries of the members of the staff for the term covered by the bonuses, to the monthly averages of the total amounts of the standard salaries of the members of the staff (that is to say, the fixed amounts which are to be the standard of salaries and allowances, same context following) paid in the term covered by the bonuses.

The method of calculating the term covered by the bonus mentioned in Section 2 of the preceding paragraph shall be prescribed by Cabinet Ordinance.

ARTICLE 10.

A corporation shall submit a report to the competent Minister, in accordance with Article 31 of the National General Mobilization Law, with respect to the period of paying bonuses and the kind of bonuses paid during the one year preceding the enforcement of the present ordinance, together with the total of the bonuses paid at each period, the number of officers, and the bonus rate for the same period of time.

ARTICLE 11.

When a corporation intends to pay extra remunerations (other than those prescribed by Cabinet Ordinance, same context following) to all or a greater part of its officers and/or the members of its staff simultaneously, it shall first obtain the sanction of the competent Minister to effect such payment; but this shall not apply in cases where the total amount of such remunerations does not exceed the limit fixed by Cabinet Ordinance.

When a corporation has paid extra remunerations to its salaried employees, it shall report the same to the competent Minister in accordance with Article 31 of the National General Mobilization Law, as prescribed by Cabinet Ordinance.

ARTICLE 12.

When corporations have come to an agreement between themselves concerning the salaries and allowances of mariners and obtained the sanction thereto of the competent Minister, that which is agreed upon shall be deemed to be the rules governing the mariners' salaries and allowances at the designated date in respect of the application of Article 3 of the present ordinance.

ARTICLE 13.

When deemed necessary as regards a corporation which is not a party to the agreement mentioned in the preceding article, the competent Minister may, on the recommendation of the Commission on Mariners' Wages, consider the said agreement, in respect of the application of the provisions of Article 3, to be the rules governing the mariners' salaries and allowances of the said corporation at the designated date.

ARTICLE 14.

In the case of the two preceding Articles 12 and 13, the report

prescribed in Article 6 is deemed to have been made, or the sanction required in Article 7 or 8 to have been obtained.

ARTICLE 15.

The corporation may not pay any remuneration, however designated, to its salaried employees with the intention of evading the restrictions prescribed in Articles 5, 9 and 11.

ARTICLE 16.

The competent Minister may, in respect to the corporation's salaries and allowances for its employees, call for the report, or dispatch the officials concerned to the offices, factories, ships, or other places of work, to inspect and examine the business conditions, account-books, documents, and other matters pertaining to the corporation's affairs, by virtue of the provisions of Article 31 of the National General Mobilization Law.

Every official so dispatched for inspection and examination in accordance with the provisions of the preceding paragraph, shall be provided with a certificate or a badge in proof of his status.

ARTICLE 17.

For the purpose of making recommendations to the competent Minister on matters of importance pertaining to the enforcement of the present ordinance as referred to for deliberation, the Commission for Investigation of Temporary Measures Concerning Remunerations of Salaried Employees of Corporations shall be organized.

The regulations governing the Commission for Investigation of Temporary Measures Concerning Remunerations of Salaried Employees of Corporations shall be made separately.

ARTICLE 18.

The present ordinance shall not be prejudicial to the application of Article 7 of the Imperial Ordinance Pertaining to Corporation Dividends and Capital Accommodation.

ARTICLE 19.

The present ordinance shall not apply to remunerations adjudged by a court of law.

ARTICLE 20.

The competent Minister mentioned in the present ordinance shall

be the Minister of Finance, with the exception of each of the following cases where it is otherwise prescribed :

1. In the case of a corporation established in accordance with a special law, the Minister who has jurisdiction over and supervises such corporation ;
2. In the case of a corporation engaged exclusively in an enterprise governed by the Exchange Law, the Gas Industry Law, the Insurance Business Law, the Automobile Manufacturing Law, Machine Tool Manufacturing Law, the Iron and Steel Industry Law, the Light Metal Manufacturing Law, the Petroleum Industry Law, the Artificial Petroleum Manufacturing Law, or Imperial Ordinance No. 9 of 1926, or Article 3 of the Gold Production Law, the Minister of Commerce and Industry ;
3. In the case of a corporation engaged exclusively in an enterprise governed by the Electrical Industry Law or the Aeroplane Manufacturing Law, the Minister of Communications ;
4. In the case of a corporation engaged exclusively in an enterprise governed by the Local Railway Law, the Track Law, or the Automobile Transportation Business Law, the Minister of Communications ;
5. In the case of a corporation part of whose business is governed by laws or ordinances mentioned in connection with the foregoing three cases, the minister having jurisdiction over such part of its business and the Minister of Finance ;
6. In the case of that which concerns mariners, the Minister of Communications, regardless of the provisions governing each of the foregoing cases.

The Minister of Finance shall consult with the Ministers concerned on matters of importance involved in the enforcement of Articles 5 to 9 and 11 of the present ordinance.

The competent Minister other than the Minister of Finance shall consult with the Minister of Finance and other Ministers concerned on matters of importance involved in the enforcement of Articles 5 to 9 and Articles 11 to 13 of the present ordinance.

ARTICLE 21.

The Minister of Finance may cause the chief of a district revenue office or the director of revenue superintendence bureau to conduct part of the business of the enforcement of the present ordinance in respect to corporations other than those mentioned in Sections 1, 2, 3, and 4 of Paragraph 1 of the preceding article.

As for the mariners, the competent Minister mentioned in the body of Article 5 and Articles 6 to 8 and Articles 12 and 13 shall be the Minister of Communications, or the director of the communications bureau, as ordained by the Minister of Communications; the competent Minister mentioned in the proviso to Article 5 shall be the director of the communications bureau or the administrative authorities having jurisdiction over maritime affairs; the competent Minister mentioned in Articles 9, 10 and 11 shall be the director of the communications bureau; and the competent Minister mentioned in Article 16 shall be either the Minister of Communications, the director of the communications bureau, or the administrative authorities having supervision over maritime affairs.

The Minister of Finance may cause the director of the revenue superintendence bureau or the chief of a district revenue office to call for the reports prescribed in Article 16; or may cause the director of the revenue superintendence bureau, or the chief of a district revenue office or his deputy to conduct the inspection and examination as prescribed in the said article.

ARTICLE 22.

Matters necessary in the enforcement of Articles 5 to 11 and Article 16 shall be prescribed by Cabinet Ordinance.

ARTICLE 23.

In respect to mariners, the Cabinet Ordinance mentioned in the present ordinance shall be the ordinance of the Communications Department.

ARTICLE 24.

The competent Minister mentioned in Articles 5 to 13 and Article 16 shall be the Governor-General of Tyōsen in the case of Tyōsen, the Governor-General of Taiwan in the case of Taiwan, the Governor of the Government of Karahuto in the case of Karahuto, and the Governor of the Government of the South Sea Islands in the case of the South Sea Islands, but the above does not apply in the case of the Hypothec Bank of Japan, the Hokkaidō Development Bank, the Bank of Tyōsen, the Bank of Taiwan, and such banks as have their places of business in Tyōsen, Taiwan or Karahuto, that are governed by the Bank Law or the Savings-bank Law, and the South Sea Islands Development Company.

The Cabinet Ordinance mentioned in Articles 2, 3, 5, 6, 9, 11 and 22 shall be the ordinance of the Government-General in the case of

Tyōsen and Taiwan, and the Government ordinance in the case of Karahuto and the South Sea Islands.

In the cases of Tyōsen, Taiwan, Karahuto and the South Sea Islands, the provisions pertaining to the Commission on Mariners' Wages and the provisions of Article 17 shall not apply

ARTICLE 25.

The Governor-General of Tyōsen may, in accordance with that which he prescribes, cause the director of the revenue superintendence bureau or the chief of a district revenue office to conduct part of the business in connection with the enforcement of the present ordinance.

The Governor-General of Tyōsen may cause the director of revenue superintendence bureau or the chief of a district revenue office to call for the reports prescribed in Article 16, or cause the director of the revenue superintendence bureau or the chief of a district revenue office or his deputy to conduct the inspection and examination as prescribed in the said article.

The Governor-General of Taiwan may cause the governor of a *tyū* or *tyō* to call for the reports prescribed in Article 16, or cause the governor of a *tyū* or *tyō* or his deputy to conduct the inspection and examination prescribed in the said article.

The governor of a *tyū* may delegate to the revenue sub-office part of the business entrusted to him in accordance with the provisions of the preceding paragraph.

Supplementary Clauses :

The present ordinance shall be enforced as from October 20th of 1939 (14th year of Syōwa), provided the same shall be enforced only as from October 27th of 1939 (14th year of Syōwa) in the case of Tyōsen, Taiwan, Karahuto and the South Sea Islands.

The present ordinance shall remain in force until October 19th of 1940 (15th year of Syōwa), provided that, as for the application of penal clauses relating to such acts as committed prior to the said date, the same shall be effective even after the said date.

(For reference)

Extracts from Law No. 55 as Promulgated on April 1st of 1938 (13th year of Syōwa); the National General Mobilization Law :

ARTICLE II.

When necessary in effecting national general mobilization, the Government may, as prescribed by Imperial Ordinance, restrict or prohibit the establishment of corporations, the increase of their capital, their amalgamation, the change of their objects, the floatation of loans, and/or the payment of a call on shares further than the second call, or may issue necessary orders regarding the disposal of their profits, the effecting of redemption and other matters of accounts; or may issue necessary orders regarding the operation of capital to banks, trust companies, insurance companies, and/or those designated by Imperial Ordinance.

Imperial Ordinance No. 9 promulgated on March 6th of 1926 is the matter which concerns joint-stock corporations of Japan established with the object of producing petroleum or coal in North Karahuto by virtue of the Convention Concerning Japanese Rights and Interests based on the Protocol (B) of the Treaty Pertaining to the Basic Rules of the Relations between Japan and the Union of Soviet Socialist Republics.

THE SITUATION IN CHINA

I

ACTIVITIES OF THE JAPANESE MILITARY FORCES

BUREAU OF INFORMATION, WAR DEPARTMENT

The Nanning Campaign

Movements of the Chinese troops and Topography of the Nanning area

The Chinese troops after being compelled to abandon Nanning on November 14 last, mostly retreated to the northeast of that city. With reinforcements from Kweilin and Hengyang, in Hunan Province, they resumed their offensive in December, and by the middle of the month were some twenty divisions strong with tanks and air units. They repeatedly attacked our lines of communication between Yanchow and Nanning, while exerting the greatest pressure on Nanning itself. The mountainous character of this part of Kwangsi Province however renders any counter-offensive extremely difficult.

Development of the Campaign

The Japanese forces entrenched themselves at Taikaoai and Chiutang, south of Pinyang, to lure the enemy and then surround them by a detour via the Yukiang River. They succeeded in outflanking the enemy from Wing-shun (Yungshun), and from February 1, the encircling movement steadily tightened.

Meanwhile, certain Japanese units at Chiutang and Kunlunkwan were surrounded by Chinese troops and it was in coming to their aid that Major-General Nakamura met a heroic death on December 25.

February 2. The Miyamori, Wase, Nagakawa, Shiroki, Sumida, Miki and Hayashi detachments, operating in the sector near Chiutang to the south, pressed the enemy back to a mountainous district northwest of the town, and contacting the outflanking troops mentioned higher up, entrapped twenty divisions of the enemy who, in the ensuing confusion, stampeded to Tsenkiang, Lungshan and Wuning.

Results of the Campaign

The results of the campaign were as follows :

(a) The Chinese troops, some 35 divisions strong including 5 heavy and 10 field and mountain artillery battalions with one anti-tank unit, Lost 46,800 killed and 2,500 prisoners. The wounded were estimated at no less than 80,000.

(b) Japanese booty included 25 field and mountain guns, 16 rapid-firers, 68 trench-mortars, 125 grenade catapults, 110 heavy and 544 light machine-guns, 9,600 rifles, 19 tanks, 6 armoured cars, 63 motor-cars and

8 side-cars. We suffered 205 killed and 785 wounded.

Statement of the Chief of the Press Section of the Army Department of the Imperial Headquarters

With regard to the Nanning campaign, the chief of the Press Section of the Army Department of the Imperial Headquarters on February 3 gave out the following statement:

"A coup-de-grâce has been dealt the so-called 'winter offensive' of Chiang Kai-shek by a decisive battle fought near Nanning, a key point of the arms-supply route for the Chungking Government. This has further stimulated the peace desire among the Chinese masses, and furthered the proposed establishment of a new central Government of China under Wang Ching-wei."

He went on to describe the operations, details of which appear in the opening chapter.

The Clean-up Campaign West of Paotow

General Situation

The Chinese armies under General Ma Chan-shan, Han Hsi-how, and Fu Tso-i, together with the guerillas under General Ho Chu-kuo, were active in the area around Paotow, western terminus of the Peking-Suiyuan Railway. A clean-up campaign was launched against them on January 20 by the Japanese forces patrolling the district.

Progress of the Campaign

From January 21 to January 25, mopping-up operations were carried out in the Ordos desert, south of the Yellow River, against the enemy some 2,000 strong. Anpeh and Changyaten, both west of Paotow, were the starting-points of attacks directed upon Wuyuan and Wuchen, on January 31. Capturing Wanhochang, the Japanese advanced to Wuyuan on February 3.

Moving south, they took Tunghingtang, and heavily defeating troops under Generals Men Ping-yueh and Shin Yu-shan, they reached Linho and Shanpa on February 5.

In Shantung Peninsula

General Situation

The Tsingtao Campaign of 1904 and later, the Japanese expedition to Tsinan, had taught the people of Shantung Province the value of the Japanese military. This accounts for the latter's success in maintaining peace and order in the Shantung peninsula since the outbreak of the China Affair. However, the eastern extremity of the peninsula, which had not known Japanese occupation, had for long been used by Chinese Communist and Kuomintang troops as well as irregulars as bases for operations against the

law-abiding populace. Early in February military and naval forces were sent against them. Serious difficulties attended these operations because of the mountainous nature of the country, the muddy roads and cold and inclement weather.

Movements of the Chinese Troops

About 20,000 Chinese troops and irregulars overran Eastern Shantung. The Shantung column of the Communist 8th Route Army, some 2,000 strong, was moreover active, with Chaoyuan, south of Lungkow, as its base. There were regular troops or guerilla forces in Penglai prefecture and the Laiyang, Tsihsia and Tsimo districts; also in the Fushan, Tengchow and Hwanghsien, Wenteng and Yungcheng districts.

Progress of the Campaign

The Japanese campaign was aimed at cornering these elements within the tip of the Shantung peninsula.

Our military forces drove from Lunghow and Piehshan on February 7, the Yamazaki, Akimoto, Ide and Oku detachments reaching the Chefoo-Haiyan line on February 13. Wenteng, the major base of enemy operations, was occupied on February 18, and Yungcheng three days later. Meanwhile the Japanese North China fleet tightened the blockade along the Shantung coast. On February 18, Shihrao, a strategically important port at the southeastern extremity of the peninsula, was occupied by a naval detachment which captured Hwangshantsi, some 20 kilometres to the northwest, on February 19. This movement cut off the southern retreat of the enemy.

The mopping-up campaign in the peninsula was successfully concluded within a fortnight of its start.

Results of the Campaign

Between February 1 and February 21, 59 engagements with the enemy, whose numbers were estimated at 15,000, had taken place. They lost some 1,200 killed and 80 prisoners. Booty included about 400 rifles.

THE SITUATION IN CHINA

II

FORCES OF THE IMPERIAL NAVY IN ACTION

PUBLICITY BUREAU, NAVY DEPARTMENT

Activities of the Japanese naval air force in South China were seriously hampered by unfavourable weather since late in January. This allowed the Chungking Government time to repair the Yunnan Railway, its most important arms-supply route from abroad, which had been paralysed by successive aerial attacks.

On February 1, however, we carried out bombing operations against Mengtze, in Yunnan Province. Naval air-units led by Lieut.-Commander Mihara reached Mengtze, after a difficult passage. The Yunnan Railway was bombed at the bridge near Mengtze, and again its service paralysed. Much resistance however was encountered from the ground defences of the enemy.

Meanwhile other units visited Kwangsi Province and operated in concert with the ground forces.

The press section of the Japanese fleet in South China waters issued the following statement regarding the attack carried out by the naval air-units on the Yunnan Railway, on February 1:

"On February 1, a big naval air detachment, in formation, commanded by Lieut.-Commander Mihara, carried out bombing operations against the Yunnan Railway, the only arms-supply route left to the Chungking Government, in the face of inclement weather and strong enemy opposition from the ground and air. The Chinese planes were easily repulsed. Heavy damage was inflicted on the railway. We suffered no losses."

Active Part Played by the Naval Force in the Clean-up Campaign in Eastern Shantung Province

The Japanese military and naval forces in North China started a mopping-up campaign against the remnants of Chinese troops in Eastern Shantung Province early in February.

On February 7, our military forces, from Langkow, Chaoyuan, Jihchwang, Lingshanchieh and Puchutientze closed in upon the remnants of the enemy, some 20,000 strong, which overran Eastern Shantung.

Taking advantage of the unique topography, these troops were steadily cornered into the extremity of the peninsula. In the meantime, the Japanese Navy enforced a ban on shipping including the junk traffic between Weihaiwei and Tsingtao. The blockade was in every way effective.

The mopping-up campaign, jointly carried out with the military forces, was participated in by the air-units. Much hardship was experienced, because of the extreme cold and the bad weather.

The press section of the Japanese fleet in North China waters on February 19 gave out the following communique:

"(1) Several naval planes early on the morning of February 18 participated in the attack on Shiao, covering the landing operations of our blue-jackets.

"(2) At the same time, our warships bombarded the enemy positions in the rear, cutting off their retreat.

"(3) The defeated enemy troops attempted to flee into the mountainous district north of Shihiao. The Chinese population in the port welcomed our men upon their entry.

Peace and order is fast returning in this region."

February 20, the Japanese resident naval officer Tanimoto at Tsingtao issued a statement:

"Since the morning of February 20, a clean-up campaign against the remnants of Chinese troops, is being undertaken and the coast districts carefully kept under surveillance.

"Midway between Weihaiwei and Chefoo was bombarded and heavy damage inflicted on the enemy.

"The main body of the Japanese fleet is anchored off Shihmen Port where mopping-up operations are being directed against all stragglers.

"We captured 41 rifles, 2 revolvers, and about 4,000 rounds of ammunition."

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